



# CCH Board Meeting December 2018

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Chief Financial Officer



COOK COUNTY  
**HEALTH**



# CCHHS Systemwide Financial Statements



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**HEALTH**

# Income Statement for the Eleven Months ended Oct 2018 (in thousands)

	Year-To-Date		Variance	
	Actual	Budget	\$	%
<b><u>Operating Revenue</u></b>				
Net Patient Service Revenue	573,329	604,084	(30,755)	-5%
CountyCare Capitation				
Revenue	1,747,315	1,672,551	74,764	4%
Access Payments	103,260	82,500	20,760	25%
Other Revenue	13,009	10,084	2,925	29%
<b>Total Operating Rev</b>	<b>2,436,912</b>	<b>2,369,219</b>	<b>67,694</b>	<b>3%</b>
<b><u>Operating Expenses</u></b>				
Salaries & Benefits	581,320	609,762	28,442	5%
Overtime	40,071	33,202	(6,868)	-21%
Pension*	223,082	223,082	(0)	
Supplies & Materials	76,843	61,369	(15,474)	-25%
Pharmaceutical Supplies	85,708	72,344	(13,364)	-18%
Purch. Svs., Rental, Oth.	265,984	289,402	23,418	8%
External Claims Expense	1,481,443	1,358,235	(123,208)	-9%
Insurance Expense	20,502	24,136	3,634	15%
Depreciation	31,645	29,930	(1,715)	-6%
Utilities	11,182	10,721	(461)	-4%
<b>Total Operating Exp</b>	<b>2,817,780</b>	<b>2,712,184</b>	<b>(105,596)</b>	<b>-4%</b>
<b>Operating Margin</b>	<b>(380,867)</b>	<b>(342,965)</b>	<b>(37,902)</b>	<b>-11%</b>
<b>Operating Margin %</b>	<b>-16%</b>	<b>-14%</b>	<b>-1%</b>	<b>-8%</b>
<b>Non Operating Revenue</b>	<b>231,430</b>	<b>231,430</b>	<b>-</b>	<b>0%</b>
<b>Net Income/(Loss)</b>	<b>(149,437)</b>	<b>(111,535)</b>	<b>(37,902)</b>	<b>-34%</b>



# Observations

Operating Margin challenging to FY2018 budget but drivers to watch vs. same time FY17

- Primary Care visits are flat while Specialty Care visits up 7%
- Surgical Cases up 4% and slightly above FY2018 Target
- Inpatient Discharges down 12% and LOS 7% higher
- Emergency Department visits are flat
- Deliveries down 14%
- System-wide uninsured numbers, captured by visit held 42% (Provident 34%, ACHN 42%, Stroger 44%)
- System wide Financial / Revenue Cycle ratios are indicating sustained progress
- CountyCare contributes \$184.5M to CCH

# Financial Metrics

Metric	As of end Oct-16/YTD	As of end Oct-17/YTD	As of end Oct-18/YTD	Target
Days Cash On Hand**	62	101	30	60*
Operating Margin***	-8.5%	-21.2%	-4.8%	-5.4%
Overtime as Percentage of Gross Salary	7.9%	7.7%	7.4%	5.0%*
Average Age of Plant (Years)	21.	22.2	24.4	10.7

\*Days Cash on Hand CCH target 60 days, Moody's 198 days . Overtime as percentage of Gross Salary CCH target 5% , Moody's 2%

\*\* Days Cash in Hand Point in time i.e. as of end of October for each year

\*\*\*Excludes Pension Expenses. Target based on compare group consisting of 'like' health systems : Alameda Health System, Medicare Center, Parkland Health & Hospital System, and UI Health

# Revenue Cycle Metrics

Metric	Average FYTD 2018	Oct-18	Nov-18	Benchmark/Target
Average Days in Accounts Receivable <i>(lower is better)</i>	106	86	85	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	7.9	6.9	8.1	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	27%	19%	20%	20%

Definitions:

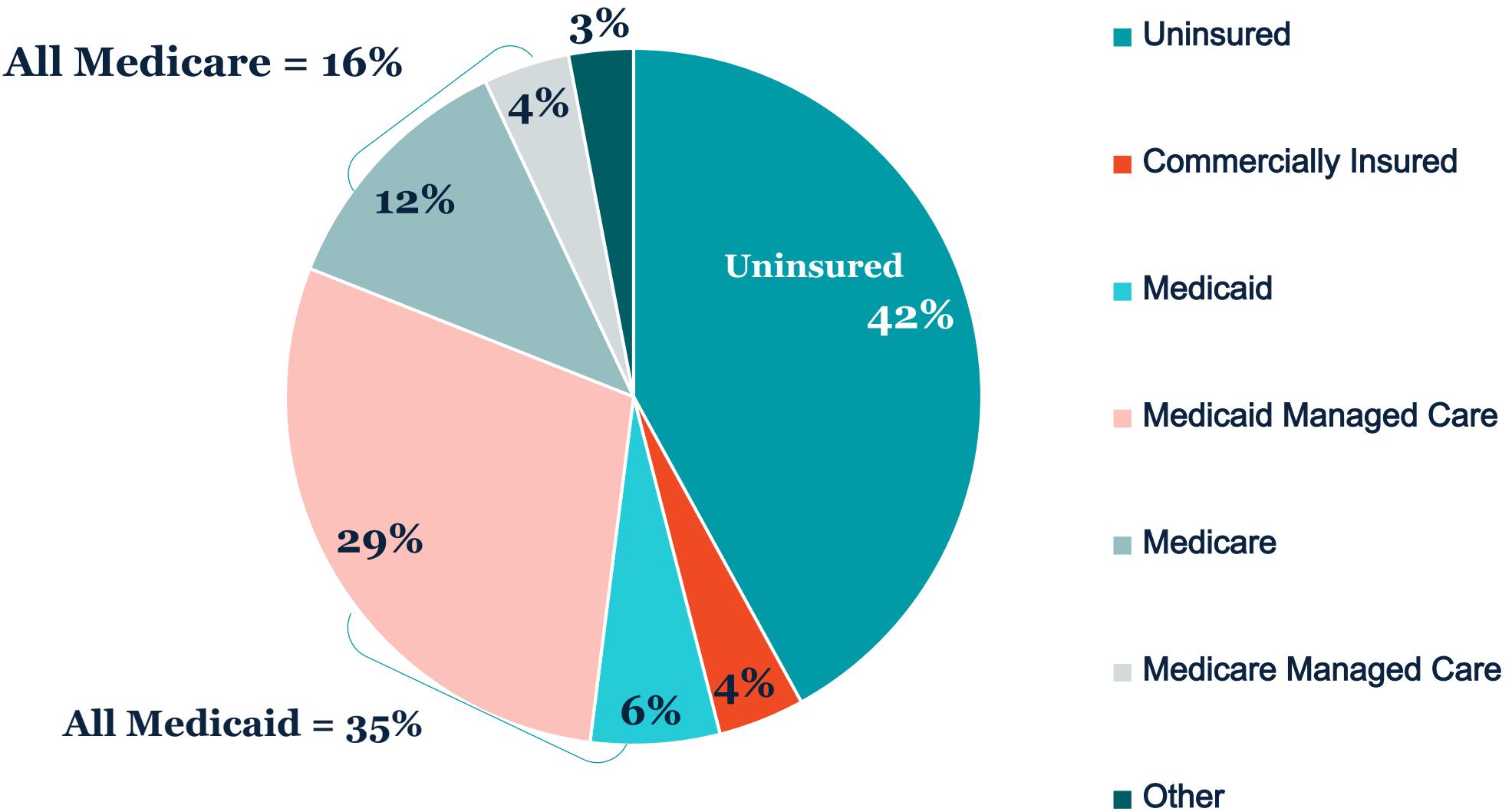
Average Days in Accounts Receivable Total accounts receivable over average daily revenue

Discharged Not Finally Billed Days Total charges of discharge not finally billed over average daily revenue

Claims Initial Denials Percentage Percentage of claims denied initially compared to total claims submitted.

\* Source HFMA Key Hospital Statistics and Ratio Margin Post 2014

# System Payor Mix By Visit



# Questions?



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